

**NMDOT BILL ANALYSIS
2024 REGULAR SESSION**

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute, or a correction of a previous bill}

Check all that apply:

Original Amendment
Correction Substitute

Date 1/22/2024

Bill No. SB 65

Sponsor: Ron Griggs

Agency/ Code: NMDOT - 805 - Revenue & Planning

Motor Vehicle

Person Writing Analysis: Michael Morrison

Short Title Tax Distributions

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SECTION II: FISCAL IMPACT

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
106,900	109,900	113,600	Recurring	State Road Fund
59,500	61,200	63,300	Recurring	Transportation Project Fund
(166,400)	(171,100)	(176,900)	Recurring	State General Fund
0	0	0	Recurring	Total Impact

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to:

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 65 (SB 65) changes the distribution of the Motor Vehicle Excise Tax (MVET).

Starting July 1, 2024, SB 65 eliminates the share of MVET receipts going to the state General Fund and increases the MVET revenue distribution to the State Road Fund from 21.86% to 60%, and to the Transportation Project Fund from 18.75% to 40%.

FISCAL IMPLICATIONS

SB 65 would distribute to the State Road Fund an additional \$106.9 million in FY 2025, and an additional \$109.9 - \$113.6 million in FY 2026 onwards. As a result of that increase, the State Road Fund would receive MVET revenue totaling about \$168 - \$179 million per fiscal year, making MVET the largest revenue source for the State Road Fund.

SB 65 would also distribute to the Transportation Project Fund an additional \$59.5 million in FY 2025, and an additional \$61.2 - \$63.3 million in FY 2026 onwards.

On the contrary, the State General Fund revenue would be reduced by \$166.4 million in FY 2025, and by about \$171.1 - \$176.9 million, in each of the following fiscal years.

This revenue estimate is based on the December 2023 Consensus General Fund Forecast.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 65 conflicts with 2023 SB 105 that repeals Motor Vehicle Excise Tax Act Sections 7-14-1 through 11 NMSA 1978, which includes the imposition of MVET and the distribution of MVET proceeds.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

MVET distributions will remain at their current distributions.

AMENDMENTS